

**WARD FOUR MARSHAL  
SULPHUR, LOUISIANA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2014**

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**

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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Honorable Billy Guidry  
Ward Four Marshal  
Sulphur, Louisiana

We have reviewed the accompanying financial statements of the major fund, and the aggregate remaining fund information of the Ward Four Marshal, Sulphur, Louisiana as of and for the year ended June 30, 2014 which collectively comprise the Marshal's basic financial statements, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Ward Four Marshal, Sulphur, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Ward Four Marshal, Sulphur, Louisiana is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The budgetary comparison information on pages 15 and 16 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical text. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic

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financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical text.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

Sulphur, Louisiana

December 2, 2014

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
**a component unit of the City of Sulphur**

**Governmental Funds Balance Sheet/Statement of Net Position**

**June 30, 2014**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 291,385	\$ -	\$ 291,385
Capital Assets, (net of accumulated depreciation)	-	30,394	30,394
<b>TOTAL ASSETS</b>	<u>291,385</u>	<u>30,394</u>	<u>321,779</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	291,385	30,394	321,779
<b>LIABILITIES</b>			
Compensated Absences	-	9,412	9,412
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>9,412</u>	<u>9,412</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Unassigned	<u>291,385</u>	<u>(291,385)</u>	<u>-</u>
Total Fund Balances	<u>291,385</u>	<u>(291,385)</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<u>\$ 291,385</u>		
<b>NET POSITION</b>			
Net investment in capital assets		30,394	30,394
Unrestricted		<u>281,973</u>	<u>281,973</u>
<b>TOTAL NET POSITION</b>		<u>\$ 312,367</u>	<u>\$ 312,367</u>

"See accompanying notes and independent accountants' review report."

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
a component unit of the City of Sulphur

**Statement of Governmental Fund Revenues, Expenditures,  
and Changes in Fund Balances/  
Statement of Activities**

**For the Year Ended June 30, 2014**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>GENERAL REVENUES</b>			
Court Fees and Costs	\$ 164,993	\$ -	\$ 164,993
Intergovernmental			
Revenues	45,847	-	45,847
On-Behalf Payments	167,864	-	167,864
Litter Detail Income	125	-	125
Other Income	562	-	562
Interest Income	164	-	164
Total General Revenues	<u>379,555</u>	<u>-</u>	<u>379,555</u>
<b>EXPENDITURES/EXPENSES</b>			
<b>Court Services:</b>			
Cleaning and Maintenance	1,691	-	1,691
Communication	2,202	-	2,202
Depreciation	-	17,603	17,603
Dues and Subscriptions	554	-	554
Litter Detail	250	-	250
Office Supplies	4,028	-	4,028
Other Expenses	1,562	-	1,562
Professional	4,300	-	4,300
Salaries, Benefits and Related Expenses:			
Salaries and Related Taxes	302,340	(149)	302,191
Retirement	13,366	-	13,366
Insurance	9,724	-	9,724
Uniforms	395	-	395
Vehicle Expenses	19,666	-	19,666
Total Expenditures	<u>360,078</u>	<u>17,454</u>	<u>377,532</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	19,477	(17,454)	2,023
Change in Net Position	<u>19,477</u>	<u>(17,454)</u>	<u>2,023</u>
<b>FUND BALANCE/NET POSITION</b>			
Beginning of Year,			
As Originally Reported	276,908	38,436	315,344
Prior Period Adjustment	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Beginning of Year,			
As Restated	<u>271,908</u>	<u>38,436</u>	<u>310,344</u>
End of Year	<u>\$ 291,385</u>	<u>\$ 20,982</u>	<u>\$ 312,367</u>

"See accompanying notes and independent accountants' review report."

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
**a component unit of the City of Sulphur**

**Statement of Fiduciary Net Position**  
**As of June 30, 2014**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>78</u>
Total Assets	<u><u>78</u></u>
<b>LIABILITIES</b>	
Due to General Fund	<u>78</u>
Total Liabilities	\$ <u><u>78</u></u>

"See accompanying notes and independent accountants' review report."

WARD FOUR MARSHAL  
Sulphur, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NOTE A – BASIS OF PRESENTATION**

The accompanying basic financial statements of the Ward Four Marshal have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**NOTE B – REPORTING ENTITY**

As the governing authority of the Marshal, for reporting purposes, the City of Sulphur is the financial reporting entity. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, established criteria for determining which component units should be considered part of the City of Sulphur for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the city to impose its will on that organization and/or;
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the city.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the city.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because of the significance of the relationship between the Ward Four Marshal (hereinafter "Marshal") and the City of Sulphur, the Marshal was determined to be a component unit of the City of Sulphur, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Marshal and do not present information on the city, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**NOTE C - FUND ACCOUNTING**

The Marshal uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

WARD FOUR MARSHAL  
Sulphur, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**NOTE C- FUND ACCOUNTING (continued)**

**Governmental Funds**

Governmental funds account for all or most of the Marshal's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Marshal. The following are the Marshal's governmental funds:

**General Fund** - The General Fund, as required by Louisiana Revised Statutes is the primary operating fund of the Marshal, and accounts for all financial resources, except those required to be accounted for in other funds. The Marshal's primary source of revenue is fees from the City Court of Sulphur. General operating expenditures are paid from this fund.

**Fiduciary Fund - Agency Fund** - The Garnishment Fund is used to account for the collection and disbursement of garnishments of wages in accordance with the orders and writs of City Court. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

**NOTE D - MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

**Fund Financial Statements (FFS)**

The amounts reflected in the General Fund of Statements A and B are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Marshal's operations.

The amounts reflected in the General Fund of Statements A and B use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Marshal considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay

WARD FOUR MARSHAL  
Sulphur, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**NOTE D - MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)**

liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for compensated absences, which are recognized when paid.

**Government-Wide Financial Statements (GWFS)**

The column labeled Statement of Net Position (Statement A) and the column labeled Statement of Activities (Statement B) display information about the Marshal as a whole. These statements include all the financial activities of the Marshal. Information contained in these columns reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**Reconciliation**

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and the Statement of Net Position (Statement A) are as follows:

**Statement B**

Net Change in Fund Balance - total	\$	19,477
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Amounts reported for governmental activities in Statement of Net Position are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	\$	-	
Less:			
Current year depreciation		17,603	(17,603)

Compensated absences are not due and payable in the current period and therefore are not reported in the Governmental Funds.

		149
Change in Net Position of Governmental Funds	\$	2,023

**Statement A**

Fund Balance		291,385
Reporting of net capital assets		30,394
Reporting of accrued compensated absences		(9,412)
Net Position	\$	312,367

WARD FOUR MARSHAL  
Sulphur, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**NOTE D - MEASUREMENT FOCUS/BASIS OF ACCOUNTING (continued)**

**Use of Restricted/Unrestricted Net Position**

When an expense is incurred for purpose for which both restricted and unrestricted net position are available, the Marshal's policy is to apply restricted net position first.

**NOTE E - COMPENSATED ABSENCES**

The employees' policy is determined by which entity pays their salary and benefits. The Marshal's office makes payments for four (4) employees. The policy for compensated absences is the same as the City of Sulphur's compensated absences policy.

The City of Sulphur makes payments for two (2) employees. The City of Sulphur's compensated absences policy is as follows:

All permanent, full-time employees earn from 10 to 30 days of vacation leave each year, depending upon length of service. Vacation leave is available for use by employees on the employee's anniversary date, and then may carry over 10 vacation days. Upon resignation, termination, or retirement, unused vacation is paid to the employee at the employee's current rate of pay.

Sick leave is earned at the rate of 12 days per year by permanent full-time employees with less than two years of service and 18 days per year by permanent full-time employees with two or more years of service. Unused sick leave may be accumulated from year to year. However, unused sick leave is paid up to a maximum of 65 days upon termination.

**NOTE F - CASH AND CASH EQUIVALENTS**

Cash and interest bearing deposits include all demand accounts and savings accounts of the Marshal. Under state law, the Marshal may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**NOTE G - CAPITAL ASSETS**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. All of the fixed assets are based on actual historical costs. The Marshal maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets and relative expenses are recorded in the Statement of Net Position and Statement of Activities, respectively, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Equipment and Weapons	5-15years
Leasehold Improvements	20 years

WARD FOUR MARSHAL  
Sulphur, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**NOTE H – EQUITY CLASSIFICATION**

In the government-wide financial statements, equity is classified as net position and displayed in two components:

- Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Marshal classified governmental fund balances. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Restricted fund balances** – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** – The amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Ward 4 Marshal using its highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the town council removed the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements
- **Assigned fund balances** – This classification reflects the amounts constrained by the Marshal’s intent to be used for specific purpose, but are neither restricted nor committed. The Ward 4 Marshal has the authority to adding amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.
- **Unassigned fund balance** – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Marshal considers restricted funds to have been spent first. When expenditure is incurred

WARD FOUR MARSHAL  
Sulphur, Louisiana

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2014

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**NOTE H – EQUITY CLASSIFICATION (continued)**

for which committed, assigned, or unassigned fund balances are available, the Marshal considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Marshal has provided otherwise in its commitment or assignment actions.

**NOTE I – ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2014, the Marshal has cash and cash equivalents (book balances) totaling \$291,385. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must equal the amount with the fiscal agent at all times.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2014, the Marshal had \$358,991 in deposits (collected bank balances). These deposits are secured by \$250,000 of federal deposit insurance and \$108,991 pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Marshal that the fiscal agent has failed to pay deposited funds on demand.

**4. ON – BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS**

GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* requires the Marshal to report in the financial statements on-behalf salary payments made by the Calcasieu Parish Police Jury and the City of Sulphur, Louisiana to the Marshal's employees. Salary and fringe payments are made by the Parish and City directly to the employees. The basis for recognizing the revenue and expenditure payments is the actual contribution made by the Calcasieu Parish Police Jury and City of Sulphur, Louisiana. The City of Sulphur, Louisiana and Calcasieu Parish Police Jury made on-behalf payments of \$167,864 for the Marshal for the year ended June 30, 2014, as follows:

City of Sulphur, Louisiana	\$ 70,417
Calcasieu Parish Police Jury	97,447
	<u>\$ 167,864</u>

WARD FOUR MARSHAL  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2014**

**5. CAPITAL ASSETS**

The following schedule presents changes in capital assets for the year ended June 30, 2014:

	Balance July 1,	Additions	Deletions	Balance June 30,
Vehicles	\$ 189,922	\$ -	\$ -	\$ 189,922
Gun Inventory	1,367	-	-	1,367
Office Furniture and Equipment	18,440	-	-	18,440
Leasehold Improvements	1,265	-	-	1,265
Total Capital Assets being depreciated	210,994	-	-	210,994
Less Accumulated Depreciation	(162,997)	(17,603)	-	(180,600)
Total Capital Assets	<u>\$ 47,997</u>	<u>\$ (17,603)</u>	<u>\$ -</u>	<u>\$ 30,394</u>

**6. RETIREMENT SYSTEM**

Substantially all employees of the Marshal's office are members of the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and B, with separate assets and benefit provisions. All employees of the Marshal's office are members of Plan A. All permanent employees working at least 35 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System.

**Regular Retirement Benefits**

A member of Plan A is eligible to retire and receive regular benefits if:

1. He/she has credit for at least thirty years of service, regardless of his/her age;
2. He/she has credit for at least twenty-five years of service and is at least the age of fifty-five;  
or
3. He/she has credit for at least ten years of service and is at least the age of sixty years.

The Plan A regular retirement benefit is an amount equal to three percent of the member's final compensation multiplied by his years of credited service (three percent multiplied by each year of credited service multiplied by final compensation), provided that:

1. A member who held an elective office in a participating municipality is paid an additional benefit equal to one-half of one percent of the member's final compensation multiplied by each year of such elective service (one-half of one percent multiplied by final compensation); and
2. For an employee who was a member only of the supplemental plan prior to the revision date, the benefit earned for service credited prior to the revision date will be determined on the basis of one percent of final compensation plus two dollars per month for each year of service credited prior to the revision date, and three percent of final compensation for each year of service after the revision date.

WARD FOUR MARSHAL  
Sulphur, Louisiana

**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2014**

**6. RETIREMENT SYSTEM (continued)**

Applications for regular retirement should be submitted to the system at least six weeks prior to the planned retirement date. A copy of the member's birth certificate and, if an optional mode of benefit payments is selected, a copy of the option beneficiary's birth certificate must be attached to the application for retirement.

The system also provides death and disability benefits.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to Parochial Employee's Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana, 70809-7609, or by calling (225) 925-4810.

**Funding Policy**

Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary, and the Marshal is required to contribute at an actuarially-determined rate. The current rate is 8% of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the marshal are established and may be amended by state statute. As provided by Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Marshal's contributions to the Systems under Plan A were equal to the required contribution for each year.

**7. SUBSEQUENT EVENT**

Management has evaluated subsequent events through December 2, 2014, the date the financial statements were available to be issued.

On August 7, 2014 the Ward Four Marshal and the Calcasieu Parish Police Jury entered into a cooperative endeavor agreement for the Calcasieu Parish Police Jury to reimburse the Ward Four Marshals' office for litter enforcement related expenses in the amount up to \$5,000.00.

**8. PRIOR PERIOD ADJUSTMENTS**

The Marshal made an adjustment to unrestricted net position to correct litter grant receivable as of June 30, 2014. This resulted in a decrease of \$5,000 to unrestricted net position at June 30, 2014.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WARD FOUR MARSHAL**  
**Sulphur, Louisiana**  
**a component unit of the City of Sulphur**

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget (GAAP/Non-GAAP Basis) and Actual  
For the Year Ended June 30, 2014**

<b>REVENUES</b>	<b>Budgeted Amounts Original</b>	<b>Actual Amounts GAAP Basis</b>	<b>Budgeted to GAAP Differences Over (Under)</b>
<b>GENERAL REVENUES</b>			
Court Fees and Costs	\$ 160,000	\$ 164,633	\$ 4,633
City of Sulphur Pre-Trial Diversion	350	360	
Intergovernmental Revenues -			
Calcasieu Parish District Attorney Grant	30,000	30,000	-
Calcasieu Parish Police Jury Allocation	15,847	15,847	
On-Behalf Payments	-	167,864	167,864
Litter Detail-Income	150	125	(25)
Operating Grants - CPPJ	5,000	-	(5,000)
Other Income	-	562	562
Interest Income	100	164	64
Total General Revenues	<u>211,447</u>	<u>379,555</u>	<u>168,098</u>
 Total Revenues	 211,447	 379,555	 168,098
 <b>EXPENDITURES</b>			
Court Services:			
Cleaning and Maintenance	1,700	1,691	9
Communication	2,300	2,146	154
Dues and Subscriptions	650	554	96
Litter Detail	100	250	(150)
Office Supplies	3,900	4,028	(128)
Other Expenses	1,300	1,562	(262)
Pager Expense	56	56	-
Professional	4,150	4,300	(150)
Salaries, Benefits and Related Expenses:			
Salaries and Related Taxes	157,500	302,191	(144,691)
Retirement Expense	-	13,366	(13,366)
Health Insurance Expense	-	9,724	(9,724)
Travel	100	-	100
Uniforms	300	395	(95)
Vehicle Expense	19,500	19,666	(166)
Total Expenditures	<u>191,556</u>	<u>359,929</u>	<u>(168,373)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 19,891	 19,626	 <u>(265)</u>
 FUND BALANCE AT BEGINNING OF YEAR	 <u>315,344</u>	 <u>329,701</u>	
 FUND BALANCE AT END OF YEAR	 <u>\$ 335,235</u>	 <u>\$ 349,327</u>	

"See Independent Accountants' Review Report."

WARD FOUR MARSHAL  
Sulphur, Louisiana

**NOTES TO BUDGETARY COMPARISON SCHEDULE**  
**June 30, 2014**

**NOTE A – BUDGETARY POLICIES**

The budget is not adopted on a basis consistent with generally accepted accounting principles (GAAP). It is presented on a modified cash basis. Budgeted amounts are as originally adopted or as finally amended by the Marshal.

**NOTE B – BUDGETS**

Ward Marshals are required under Louisiana Revised Statute 39:1301 et seq. to adopt a budget. The Marshal follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared and submitted to the Marshal for the fiscal year prior to the beginning of each fiscal year.
2. If proposed expenditures exceed \$500,000, a summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection.
3. If required, a public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing, if required, and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is not adopted on a basis consistent with generally accepted accounting principles (GAAP). It is presented on a modified cash basis. Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Marshal. Such amendments were not material in relation to the original appropriations.

***REQUIREMENTS OF THE  
LOUISIANA GOVERNMENTAL AUDIT GUIDE***

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**Independent Accountants' Report  
on Applying Agreed-Upon Procedures**

To the Honorable Billy Guidry  
Ward Four Marshal  
Sulphur, LA

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Ward Four Marshal, and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Ward Four Marshal's compliance with certain laws and regulations during the year ended June 30, 2014 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Ward Four Marshal is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

*Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$30,000 or for public works exceeding \$150,000.

*Code of Ethics for Public Officials and Public Employees*

2. Obtain from the Marshal a list of the immediate family members of the Marshal as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of the Marshal and employees, as well as their immediate families.

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by the Marshal in agreed-upon procedure (3) appeared on the list provided by the Marshal in agreed-upon procedure (2).

### *Budgeting*

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were three (3) amendments to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

Not applicable.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by five percent (5%) or more or if actual expenditures exceed budgeted amounts by five percent (5%) or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures and no exceptions were noted. It was noted that total actual revenues exceeded total budgeted revenues by more than five percent (5%). It was noted that total actual expenditures exceeded total budgeted expenditures by more than five percent (5%).

### *Accounting and Reporting*

8. Randomly select six (6) disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee; (b) determine if payments were properly coded to the correct fund and general ledger account; (c) determine whether payments received approval from proper authorities.

We examined supporting documentation for each of the six selected disbursements and found that payments were for the proper amounts, made to the correct payee, properly coded to the correct funds and general ledger accounts, and five of the six checks obtained appropriate approval.

### *Meetings*

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law).

Not applicable.

### *Debt*

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

### *Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

*Prior Comments and Recommendations*

Our prior year report, dated December 13, 2013, did include comments regarding budgeting practices, which remain unresolved.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Ward Four Marshal and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document in accordance with Louisiana Revised Statute 44:6.

McMullen and Mancuso, CPAs, LLC

*McMullen and Mancuso CPAs*

Sulphur, Louisiana  
December 2, 2014

**WARD FOUR MARSHAL  
Sulphur, Louisiana**

**Summary Schedule of Findings  
June 30, 2014**

*Findings reported in accordance with Government Audit Standards*

2014-1 Improve Budgeting Practices

CONDITION: State Law (R.S. 39:1301) requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more. The Marshal had a difference of more than 5% between budgeted and actual revenues and expenditures.

RECOMMENDATION: We recommend budget practices be improved to ensure the final budget meets the proper reporting requirements.

CURRENT STATUS: Unresolved.

**WARD FOUR MARSHAL  
Sulphur, Louisiana**

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**SCHEDULE OF PRIOR YEAR FINDINGS**

**For the Year Ended June 30, 2014**

<b>Ref No.</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description of Finding</b>	<b>Corrective Action Taken</b>
<b>2013-1</b>	2012	The Marshal adopted a final budget for 2013, just prior to year end with three line items in actual revenues below the budgeted revenues by more than five percent (5%). In addition, four line items in actual expenditures exceeded the budgeted expenditures by more than five percent (5%).	Unresolved

This schedule is prepared by management.

**WARD FOUR MARSHAL**  
Sulphur, Louisiana

**MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS**

Year Ended June 30, 2014

<b>Ref No.</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description of Finding</b>	<b>Corrective Action Taken</b>	<b>Corrective Action Planned</b>	<b>Name of Contact Person</b>	<b>Anticipated Completion Date</b>
<b><u>2014-1</u> :</b>	2012	The Marshal adopted a final budget for 2014, just prior to year end with total actual revenues above the total budgeted revenues by more than five percent (5%). In addition, total actual expenditures exceeded the total budgeted expenditures by more than five percent (5%).	No	The budget practices will be improved to ensure that the final budget meets the proper reporting requirements.	Billy Guidry	12/31/2014

This schedule has been prepared by management.

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Government)**

July 15, 2014

McMullen and Mancuso, CPAs, LLC  
3600 Maplewood Drive  
Sulphur, LA 70663

In connection with your review of our financial statements as of June 30, 2014 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 15, 2014.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [ x ] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [ x ] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes [ x ] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-16), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes [ x ] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [ x ] No [ ]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [ x ] No [ ]

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [ x ] No [ ]

### Meetings

We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:11 through 42:28.

Yes [ x ] No [ ]

### Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [ x ] No [ ]

### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [ x ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Billy Hayes Marshal 12-5-14 Date